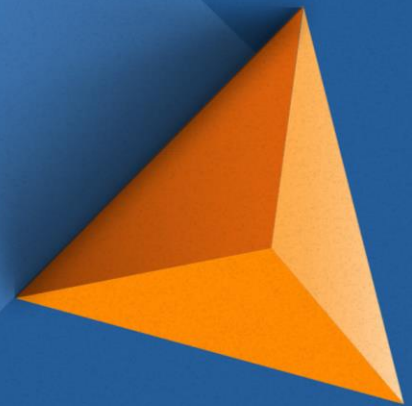


# The Evolving Role of Chief Diversity Officers in Shaping DEI

Louis Montgomery, Jr | 2023

JM Search Partner, Louis Montgomery, Jr., spoke with several leaders in the DEI space to understand where the profession is headed and where the diverse paths of CDOs can and should converge.



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*Louis Montgomery, Jr*

Conversations about diversity, equity, and inclusion (DEI) have permeated global boardrooms in recent years. Increasingly, business leaders are recognizing the measurable benefits of DEI—from improved profitability and faster innovation to higher employee retention rates—and investing in initiatives that move DEI forward.

Tasked with leading these expansive discussions, Chief Diversity Officers (CDOs) are becoming critical fixtures in the C-Suite with potential to drive monumental change.

Diversity leaders who step into these often-inaugural roles have the rare opportunity to shape their own profession as much as their organizations. Despite increasing alignment on the importance of CDOs, businesses remain divided on their purpose and place. The following questions, while seemingly simple, remain contentious for many executive teams:

- What does a diversity officer do?
- Who should they report to?
- What do CDOs need to succeed?

The JM Search team has closely followed the evolution of the CDO role for many years. While demand for Chief Diversity Officers remains high, one fact is evident: The lack of clarity around the position—along with inadequate resources for some CDOs— contributes to higher turnover rates for the role.

We spoke with several leaders in the DEI space to understand where the profession is headed and where the diverse paths of CDOs can and should converge. Through our discussions, we also uncovered insights about the organizational support CDOs need to drive persistent and significant progress.

### The Catalyst for DEI Expansion

***“Once eyes are open, they can no longer be closed.”***

- Heidi Evita Moore, Senior Director, Diversity and Inclusion,  
Horizon Therapeutics

The year 2020 was a catalyst for transformation in the diversity, equity, and inclusion space. While DEI efforts already existed to some capacity, the mainstream social justice movements of that historic year challenged corporations to prioritize cultural change and encouraged CDOs to step up to the plate.

In particular, the Black Lives Matter movement and the COVID-19

pandemic spotlighted the impact of sociocultural disparities on employee performance. The killing of George Floyd, for instance, was a traumatic event experienced simultaneously yet distinctively by different communities. The most affected team members struggled to stay focused at work.

In response, CDOs expanded the breadth of the DEI umbrella, creating new and distinct roles for themselves on executive teams. Additionally, many inaugural DEI roles were created. These professionals became workplace champions of more social causes, from justice to sustainability. And they emerged as leaders in and advocates for the equitable nurturing of employees.

“It was emotional for me,” said Ian Brown, VP and Chief Employee Experience Officer at Duke Health, of the murder of George Floyd. “But it created the opportunity for dialogue within organizations, allowing folks to be able to come in and share their emotions and their perspectives.”

While 2020 inarguably widened the realm of DEI, many CDOs don’t view it as an inflection point. According to Heidi Evita Moore, Senior Director of Diversity, and Inclusion at Horizon Therapeutics, while many companies, like hers, did enhance existing and robust DEI efforts in 2020 and continue to build on those efforts, other organizations are already pulling back their investment in DEI, not seeing the relevance of further embedding DEI. She believes those intentional decisions will hinder the progress CDOs drive.

“I have this saying—‘once eyes are open, they can no longer be closed’—meaning that once awareness has been heightened with those I’m working with, it’s then really an opportunity for each person or group to continue to grow and develop as professionals, teams, and business units to improve the organization through the inherent value of DEI efforts” Moore said. “If they choose to stay in that naïve space or stay in that inaction

phase, I look for different ways to help illuminate it. Ultimately everyone must come to this table authentically to make a difference for the organization, the customers (or patients in our case) and the communities served by the organization.”

While the modern CDO can create the infrastructure needed for cultural change, organizations as a whole must ultimately make

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► *Ian Brown*

decisions that catalyze transformation for long-term DEI success.

### Embracing Structural Change

**“DEI needs to be prioritized as a business strategy and embedded everywhere, in all areas of the business. This means focusing on all stakeholders, not just employees, but also suppliers, customers, community partners, investors, and more.”**

- Sharmila Fowler-Pos, Head of Diversity, Equity, and Inclusion, Echo Global Logistics

The structure of a business has a significant effect on its aptitude for change. In the past, DEI departments were predominantly situated under the human resources umbrella, limiting its impact to HR-related functions like hiring and training.

Now, CDOs are pushing for structural change. The diversity leaders we spoke to agreed on the

importance of reporting to seniors in the organization who provide access to the CEO, along with other executive leaders. By making this transition, companies demonstrate that DEI is a critical part of their overarching strategy—something that every individual and department is responsible for.

“DEI needs to be prioritized as a business strategy and embedded everywhere, in all areas of the business. This means focusing on all stakeholders, not just employees, but also suppliers, customers, community partners, investors, and more,” said Sharmila Fowler-Pos, Head of Diversity, Equity, and Inclusion at Echo Global Logistics. CDOs who report to CEOs still make up the minority of diversity officers—39%, studies show. At the same time, CDOs report organizational culture as the biggest hurdle to achieving DEI goals. Providing more direct access to the CEO, if only through another C-level officer, is critical to widening the impact of DEI initiatives.

### A Rising Need for Business Savvy CDOs

As CDOs move up the ladder in their organizations, they themselves move beyond the HR-centric mindset and become effective, organization-wide leaders. As the role of Chief Diversity Officers evolves, CDOs will need more business experience to establish the executive-level influence they need.

Singleton Beato, Global EVP and Chief DE&I Officer at McCann Worldgroup, calls it corporate athleticism. She emphasizes the importance of knowing how to leverage resources and drive change, whether by understanding who the influencers are, how to get initiatives through, or how to navigate workplace culture.

In essence, highly effective CDOs must learn to speak the language of C-level executives and directors—that is, by articulating the impact of DEI on the business and its objectives. This allows

them to objectively communicate the value of DEI initiatives and get adequate support from senior leaders. Diversity officers who become highly data-driven will be most successful in this landscape.

Equally as important, CDOs must excel at building coalitions and consensus. They must understand how to shift the perspective of employees—whether through lunch and learns or immersive experiences—and engage team members in DEI programs. This is especially critical for influencing senior leadership.

### Building Senior Leadership Buy-In

***“If the leaders don’t take in a consistent, deliberate, and active role, then you know that company will be having the same issues five years from now when there’s another situation.”***

- Singleton Beato, Global EVP and Chief DE&I Officer, McCann Worldgroup

Senior leaders influence the outcomes of DEI initiatives in two starkly different ways: They can be the biggest barriers to organization-wide success, or they can remove obstacles and advocate for CDOs and the diverse communities these initiatives support.

According to Andres Gonzalez, Vice President of Community Engagement and Chief Diversity Officer at Froedtert and the Medical College of Wisconsin, CDOs are most successful when senior leaders champion DEI and embed it into their frameworks.

“You only will be as successful as those who are actually involved,” Gonzalez said. “Senior leadership is imperative to the success of this effort. We make it a requirement in our health network. Every leader is expected to be involved, engaged and held accountable for leading the ED&I efforts within their areas of responsibility.”

Accountability is key. Some CDOs are pushing for mandatory, measured contributions, while others simply seek greater involvement from senior leaders—perhaps through executive sponsorships for DEI programs.



“If the leaders don't take in a consistent, deliberate, and active role, then you know that company will be having the same issues five years from now when there's another situation,” Beato said.

### Crafting an Environment for CDO Success

The support of senior leaders isn't just crucial for DEI programs to succeed. It can also transform the experience of CDOs and lower turnover rates for the role.

For many Chief Diversity Officers, the CDO role is emotionally exhaustive. It places the burden of tackling systemic issues on an individual. And paired with resistance from colleagues, the often-slow progress of DEI efforts, and the emotional labor involved in the work, this pressure commonly leads to burnout.

“We have to be very, very deliberate in these jobs to take care of ourselves so that we can be resilient enough to push the work forward,” Beato said. “If it was easy, we would not be employed.”

Executives must encourage CDOs—along with all leaders—to practice self-care. Policies can help. Mandatory vacation days, available mental health days, and flexible hours can all give CDOs adequate time to disconnect, maintain boundaries, and revitalize their passion for the role.

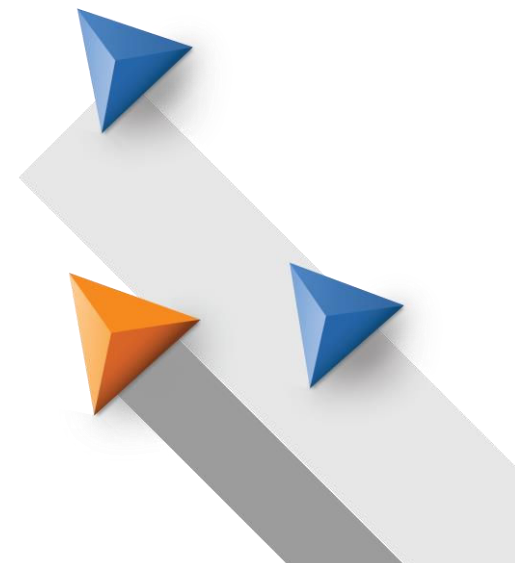
Moving forward, Chief Diversity Officers will inevitably take on new responsibilities and become key influencers of business strategy. As organizations recognize the measurable benefits of DEI initiatives—including faster innovation, improved decision-making, and better performance at all levels—they'll begin to invest more into the efforts of CDOs.

However, to reap the long-term benefits of DEI, companies must purposefully craft an environment CDOs can succeed in. Decision-makers who embrace structural change, increase accountability for senior leaders, and encourage self-care can

empower diversity professionals to thrive. With these elements in place, businesses can successfully find and retain business savvy CDOs who are capable of building a high-impact, DEI-forward organization.

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JM Search would like to thank our special guest contributors for their insights:



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Louis Montgomery Jr. leads JM Search's Human Resources and Diversity Officer Executive Search Practice. To date, 75% of his placements are women, and 50% are people of color. He has almost a decade of Executive Search experience. He has successfully placed Board Members, Human Resource, and Diversity/ Inclusion Leaders in Private Equity Backed and Publicly Traded organizations in various sectors, including Industrial, Consumer, Healthcare/ Life Sciences, Financial and Professional Services, Technology, Non-Profits, Higher Education, and Trade Associations. Prior to moving into Executive Search, Louis had more than 25 years of experience as a Human Resources Practitioner and Diversity Leader with several major Fortune 100 firms, including IBM, Celanese Corporation, Frito Lay, Kraft Foods, Altria, AES, and Serco North America.

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